



CIRCULAR

CIR/MRD/DP/17/2015

October 08, 2015

To

All Stock Exchanges
All Clearing Corporations.

Dear Sir / Madam,

Subject: Review of the capacity planning framework of stock exchanges and clearing corporations

This has reference to the circulars dated June 16, 1998 and August 06, 2008, wherein the following requirement was inter alia specified as an eligibility criteria to be complied by the stock exchange while providing trading platforms in equity derivative and currency derivatives segments respectively.

"The per-half-hour capacity of the computers and the network should be at least 4 to 5 times of the anticipated peak load in any half hour, or of the actual peak load seen in any half-hour during the preceding six months."

2. Being critical infrastructure of the securities market, it is imperative for the stock exchanges and clearing corporations to continuously assess and monitor their system capacities. Over the years, stock exchanges and clearing corporations have experienced increase in volumes owing to the growth of the market and have accordingly taken steps to increase capacities of their trading, clearing and settlement infrastructure.

3. The framework adopted by the stock exchanges and clearing corporations for planning of their capacities was recently reviewed by the Technical Advisory Committee (TAC) of SEBI. Based on the recommendation of the committee, it has been decided to direct stock exchanges and clearing corporations to ensure the following requirements while planning capacities of their trading, clearing and settlement and risk management related infrastructure:

- i. The installed capacity shall be at least 1.5 times (1.5x) of the projected peak load.
- ii. The projected peak load shall be calculated for the next 60 days based on the per-second peak load trend of the past 180 days.



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- iii. All systems in trading, clearing and settlement ecosystem shall be considered in this process including all technical components such as network, hardware, software, etc., and shall be adequately sized to meet the capacity requirements.
 - iv. In case the actual capacity utilisation exceeds 75% of the installed capacity, immediate action shall be taken to enhance the capacity.
4. Stock exchanges and clearing corporations shall implement suitable mechanisms, including generation of appropriate alerts, to monitor capacity utilisation on a real-time basis and shall proactively address issues pertaining to their capacity needs.
5. Stock exchanges and clearing corporations are directed to:
- i. take necessary steps and put in place necessary systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations, within three months from the date of this circular.
 - ii. bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on its website; and
 - iii. communicate to SEBI the status of implementation of the provisions of this circular.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

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